

Arizona Correctional Industries

Quality Times

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General Manager

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ACI Mission Statement

To create opportunities for offenders to develop marketable job skills and good work habits through enterprises that produce quality products and services for our customers.

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Assistant Director's Letter



ACI Employees:

November's financials reflect positive earnings: sales were \$2.7 million (\$2,749,123); our YTD sales are \$12,750,294. Profits were \$215,019 for November. Although sales and profits for the first five months of the fiscal year continue to be less than projected, they have been profitable, \$768,598.

In the last year, ACI has reorganized to better align duties and responsibilities, as well as enhance our ability to generate new business opportunities. In my new role as Assistant Director, I will be able to focus on the accomplishment of these duties and responsibilities, as well as restructure the Long Term Strategic Planning for ACI to accommodate the ever changing economic times.

As a result of my promotion, a nationwide search to fill my former position as CEO/General Manager was conducted and resulted in the appointment of Mr. Brian Radecki. I am extremely pleased to announce Mr. Radecki's appointment and welcome him to the ACI team. Mr. Radecki brings extensive experience as Senior Vice President for the world's largest automotive supplier, Robert Bosch LLC. Mr. Radecki has a bachelor's degree in Marketing from Indiana and an MBA from the University of Detroit.



Brian Radecki, CEO/General Manager

Additionally, his expertise in sales/marketing; profit and loss; project and materials management along with other executive level experience made him a desirable and most welcome match for ACI. Mr. Radecki will make visits to all of the Owned & Operated shops, so please extend him every courtesy while he becomes acclimated to our operations.

In January 2011, we look forward to hosting the Intel Corporation at our Central Office location to discuss the positive impact of the past year's mentoring program. As I have shared throughout the year, we were given a wonderful opportunity through the Arizona Quality Alliance to enter into a mentoring program with Intel. Intel generously pairs volunteers to the needs of an organization to share their knowledge, experience and success in administering a world renowned quality program. We will share the details of the meeting and project outcomes in our January newsletter.

Sincerely,
Bill Branson
Assistant Director

Unit Citation awarded to Arizona Correctional Industries by the Arizona Department of Corrections (ADC)

On December 17, 2010, ACI was awarded a Unit Citation by the Arizona Department of Corrections. This annual award is presented to a Departmental unit or group of employees in recognition of an outstanding accomplishment or for facilitating the achievement of organizational goals and objectives. The nomination submitted in September of 2010 follows:

To understand why Arizona Correctional Industries deserves recognition, it is important to share some of the historical information that has contributed to its' success.

The Arizona Correctional Industries (ACI) was created by the Arizona Legislature in 1969, operating under the acronym "ARCOR" (Arizona Correctional) until 1991, and received appropriated funds to support its operations. This funding was discontinued in 1991 when the newly named Arizona Correctional Industries (ACI) business enterprise became a financially self-sufficient division of the Arizona Department of Corrections (ADC) functioning entirely from
(Continued on page 3)

Inside this Issue

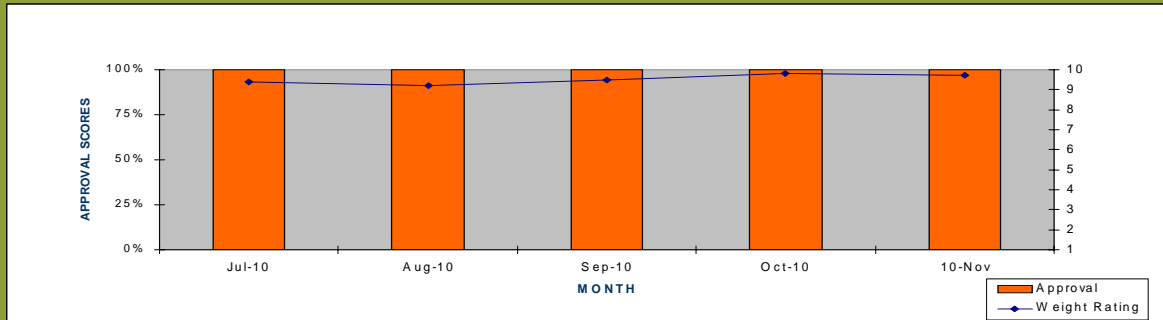
Quality - Customer Satisfaction	2
Employee of the Month	3
Unit Citation Award, continued	3
Retirement	3
In the news...	4
Quality - The Sixth "S"	4



*Please consider
the environment before
printing a copy of this
newsletter. Thank you.*

Customer Satisfaction

The first five months of Fiscal Year 2011 have been marked with a **PERFECT 100% Customer satisfaction rating.** The average weighted score which reflects how satisfied the customer was based on a scale of 1 to 10 (10 being the best) for the same period of time was 9.52. Our numbers validate our continued commitment to our customers. **Great Job!**



Customer Comments/Compliments:

Karen Lowry, Warehouse Mgr. ASPC-Tucson: "Always great to work with Jennifer Davis"

Pendergast School District: (Sign Shop) "Signs look great. Always do a good job."

St. Vicent de Paul: (Metal Fab) "Always a pleasure to work with the crew at ACI. Never had any problems and will continue to use the company. Nick Angel is a good sales representative."

Creative Leather: "Ericka Seborg is always prompt and friendly..."

ASPC-Douglas: (Bakery) Good job!

YMCA Southwest Valley Regional: (Commodity Products) "Good as always..."

Years of Service Recognition (Last Quarter)

5 years

Don Branson
Rick Brodeur
Kathy Estabrook
Gary Geist
Nataline Iniguez
Anil Shukla

10 years

Richard Carpenter
Linda Jaffie
Dirk Johnson
John Shrefler

ACI December Employee of the Month

Bonita Blalark
Customer Service Representative



Congratulations to Bonita Blalark our December Employee of the Month. Bonita has been with ACI for over 14 years. During this time, Bonita has seen lots of changes and moves. Assistant Director Branson said, "Bonita has sold more specialty plates than everyone else combined, and also, I have received more customer compliments on Bonita than any other ACI employee".

Bonita is known to take ownership of her area and ensure her customers are completely satisfied. Additionally, Bonita routinely supports ACI's front office, helps customers who call last minute before we close, and takes other calls when there is no one left in the building at night.

CONGRATULATIONS and THANK YOU on a job well done!!

Unit Citation awarded to Arizona Correctional Industries by the Arizona Department of Corrections (ADC)

Continued from page 1

Congratulations ACI!! Congratulations ACI!! Congratulations ACI!! Congratulations ACI!!
Con its own revenues without taxpayer funding. Prior to FY 1992
Con Arizona Correctional Industries (ACI) received appropriated
Con funding from the Arizona State Legislature. During these years
Con sales and profitability were low. Some years showed Net
Con Losses in excess of \$2,000,000. Since the appropriations were
Con discontinued, sales have increased from \$5,346,942 for FY
Con 1992 to **\$33,098,919** (and record breaking net income of
Con \$3,550,121) for FY 2010. During this time of increased sales,
Con Net Income has also been consistent. As a result of ACI's
Con success, the Legislature was able to transfer more than \$5m to
Con the General Fund to offset budget issues and an additional
Con \$480,000 was transferred directly to ADC to assist with the
Con agency's budget.

Con Currently, Correctional Industries has 19 Private Sector
Con Companies as partners. In FY 2010, inmates provided
Con 2,079,731 hours of inmate labor to these contracts.
Con Additionally, Correctional Industries' Owned & Operated
Con programs provide many products and services to the private
Con and public sector, including metal fabrication, printing,
Con signage, furniture, etc. This represented another 1,116,875
Con hours worked, representing a total of nearly 3.2 million man-
Con hours worked. Inmate wages deductions have supported Room
Con & Board (\$2,290,958), Victim's Compensation Fund
Con (\$11,150), Dependent Support (\$55,575), Court Ordered
Con Restitution (\$97,750), Alcohol Abuse and Treatment Fund
Con (\$64,132). Furthermore, inmates participating in PIECP
Con programs pay Arizona State Tax (\$11,440), which provides
Con more revenue for the state.

Con Arizona Correctional Industries successfully incorporates a
Con progressive business approach to government including a state
Con recognized quality program that continues to improve with the
Con mentoring of world class programs and companies, such as
Con Intel. As the State of Arizona faces budget shortfalls and high
Con unemployment rates, ACI continues to provide a steady source
Con of revenue and creates new jobs. *According to the Arizona
Con State University, WP Carey School of Business the financial
Con contributions of Arizona Correctional Industries to the State
Con economy in the last fiscal year was \$157,907,000 and
Con approximately 1,330 new jobs. These contributions come
Con from: raw materials and services that ACI purchases from
Con Arizona businesses; the ability for local companies to retain



Accepting the Award, Left to Right: Brian Radecki, CEO/GM; Bill Branson, Asst. Director, Charles L. Ryan, Director; Glen Davis, Sr. VP, and Dale Beatty, CFO.

Con and hire new employees to meet the purchasing demands of
Con ACI; the indirect and direct impact of the business generated
Con through ACI's Private Sector Partnerships. ACI's positive
Con contribution to the economy not only has financial benefits
Con that provide relief to the fiscal responsibilities of the citizens
Con of our state, but benefits the inmate workforce.

Con As demonstrated, the constructive use of inmate time and
Con labor has a direct and positive impact on the State's
Con economy. Another advantage of ACI programming and one
Con of the most impressive benefits was reported in a
Con comprehensive evaluation of inmates participating in
Con rehabilitation programs while in custody reported
Con Correctional Industries to be the most effective at reducing
Con recidivism by 31.6%.

Con At the core of our program is a commitment to our mission
Con "To create opportunities for offenders to develop marketable
Con job skills and good work habits through enterprises that
Con produce quality products and services for our customers".
Con As part of the ADC family, ACI has proven through fact
Con based data that it is positively contributing to the Agency's
Con mission, vision, and goals and is most deserving of this
Con recognition.

Con *Economic Impact updated since submission: The Arizona State
Con University WP Carey School of Business – Seidman Research
Con Institute Study, estimates ACI's economic impact to the state was
Con **\$186,424,774** and resulted in the creation of **1,774** jobs in the
Con private sector.

Congratulations ACI!! Congratulations ACI!! Congratulations ACI!! Congratulations ACI!!
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Congratulations on your Retirement!!

Luis A. Arias, Correctional Industries Program Supervisor, Douglas Sewing Shop



Left to Right: CIPS Luis Arias and Eastern Region VP Al Wesley

Congratulations to Luis A. Arias, who retired after 21 years on December 22, 2010. Luis has been an intricate part of the Douglas Sewing Operation since December of 1989. We will miss his expertise and commitment to the job.

To the left of the photo is a copy of the Certificate of Appreciation from Governor Brewer to Luis Arias for his years of dedicated service.

Best wishes for a healthy and happy retirement !!

"If you add a little to a little and do this often enough, soon it will become great." – Hesiod, 8th Century BC Greek Poet

ACI - In the News...

Retail Outlet

Over the last several months, the ACI Prison Outlet has been featured in various media venues, as listed below:

New York Times
AAA Highroads with Dan Davis
Channel 12 Evening news
Channel 3 Phoenix
WBAL Baltimore
www.asylum.com

VP Rick Kahn spearheaded the media coverage on the many unique products available at the Florence Retail Outlet. The various reports focused on our mission to employ inmates and the benefits gained by inmates upon release, to include but not limited to obtaining skills, potential to earn an income to assist with transitioning back into the community, and a sense of accomplishment for creating quality products. Additionally, Mr. Kahn shared ACI's efforts to maximize resources via the use of scrap materials to make most of the metal products and pallets to make many of the wood products. We are going Lean and Green at the same time; getting rid of waste by optimizing our resources.

We are very proud of all of the people who contributed to the Retail Outlet's success.

"Abandoned couches, used mattresses get new life" Upholstery & Account Manager Nick Angel

ACI was featured as a resource for refurbishing a couple of discarded couches at ASU; diverting them from the landfill. It is through a partnership with Central Arizona Community College that the refurbishing was completed.

Additionally, the article highlighted ASU's commitment to "zero waste" and how ACI assists with this goal through a mattress recycling program. Some of the materials that are recycled from the mattresses are utilized in home insulation through a private sector partner.

ACI also provides a mattress to the Arizona Department of Corrections in which the core is made of 100% recyclable materials. ACI continues to seek opportunities to expand its' green product lines.

Article featured in:

ASU News (University)
http://asunews.asu.edu/20101102_sustainability
SE Valley Living
East Valley Living

Quality – The Sixth “S”

Last month we discussed workplace organization utilizing 5S: Sort, Set in Order, Shine, Standardize and Sustain. Now, let's discuss the **sixth** “S”: Safety. It is our most important *tool, behavior or quality standard* because with good safety measures we ensure our most valuable resources are protected- *people*. Specifically, safety provides for the welfare of our staff, visitors, and the public through environmental protection, emergency procedures, prevention, policy & procedures, security and training.

As we conduct our 6S inspections we should be ever cognizant of the need to improve, act on, or ensure safety in the work area. This may entail reviewing MSDS forms, Fire Evacuation plans, and even the cleanliness of the work area. There are many factors to consider. Safety requires a proactive approach and should not be structured in a way that keeps you from seeing the obvious issues. When you do believe that you have addressed all the standing safety issues, it may be time to have someone not familiar with your shop/work area conduct a walk-thru and report their observations. It is all of our jobs, everyday to ensure the work environment is safe.

5S Workplace Organization

Standards

Sort	Sort needed and unneeded items.
Set in order	Put things in proper place and arrange.
Shine	Clean up the workplace.
Standardize	Standardize first three S's.
Sustain	Make 5S a part of the job.
Safety	Make safety a priority



ACI Meeting/Training

Lean Workshop

Presented by: Intel
Date: Wednesday, January 12, 2011
Session: 10:00 a.m. – 2:00 p.m.
Location: Florence Training Room 3